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# Media Release

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**FOR IMMEDIATE RELEASE**

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## **SOUTHWEST COMPACT: THE NEXT TRADE ZONE**

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### **Bi-National Compact Conference Takes First Steps Toward Creating New Trade Route Linking Southwestern U.S. with Mexico**

**HOLTVILLE, CA** – Nearly 100 elected officials, business leaders and transportation experts from the southwestern United States and Mexico convened today at the Southwest Compact Conference to identify transportation infrastructure improvements and economic development opportunities needed for creating effective trade corridors and fostering greater cross-border economic cooperation. The Southern California Association of Governments (SCAG), host of the unique forum, has been pursuing the concept of a “Southwest Compact” for several years. SCAG was previously successful in attaining a congressional authorization declaring the California portion as a “Corridor of National Economic Significance,” a first step toward creating a new trade corridor.

With international trade from the Pacific Rim and Latin America fueling the economy, the southwestern portion of the United States and the northern states of Mexico are well positioned to take advantage of the projected growth in international trade by developing an integrated economic development and transportation strategy for the region. New Mexico Senator Jeff Bingaman and Texas Congressman Silvestre Reyes also have initiated efforts in Congress this year to develop a Southwest Regional Border Authority that would implement regional economic development efforts for the area. California Senator Barbara Boxer and Texas Senator Kay Bailey Hutchinson have co-authored the legislation.

“Our intent is to begin building momentum around the notion of a ‘super-region’ based on collaboration among the Border States to identify common economic objectives and develop effective trade corridors,” said Greg Pettis, mayor pro tem of Cathedral City and chair of the SCAG’s NAFTA Subcommittee. “Through the Southwest Compact Conference, elected and business leaders in the border states are laying the foundation to transform this region into a true economic powerhouse.”

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Denise Moreno Ducheny, former California State Assemblywoman and member of the Commission of the Californias, remarked, “We not only need to form partnerships among local jurisdictions on both sides of the border, we also must educate our state and congressional leaders on these important border issues, particularly since they are further removed from the border both geographically and politically.”

The Southwest Compact represents a natural extension of recent efforts to bolster goods movement in Southern California and beyond. The Alameda Corridor – a dedicated freight rail line originally conceived by SCAG in the 1980’s to connect the Ports of Los Angeles and Long Beach to downtown Los Angeles – opened earlier this spring. The Alameda Corridor East, a series of road-rail improvements in the San Gabriel Valley and the Inland Empire, is just getting underway. By identifying priority infrastructure improvements and forging economic links among leaders in the four U.S. states (California, Arizona, New Mexico, Texas) and six Mexico states (Baja California, Sonora, Chihuahua, Coahuila, Nuevo Leon, Tamaulipas), the Southwest Compact would foster a “super region” with the size, diversity, industrial strength and geographic advantages to be a competitive force internationally.

SCAG estimates that the Southwest Compact region’s gross domestic product in 2000 was approximately \$1.5 trillion, about 15 percent of the U.S. GDP and more than two and one half the size of Mexico’s economy. Already the world’s fourth largest economy, the Southwest Compact region is projected to grow to nearly \$3 trillion,

Other conference participants included Imperial County Supervisor Hank Kuiper; SCAG Executive Director Mark Pisano, NAFTA Corridor Institute Xavier Hermosillo; Secretary of Economic Development for the State of Nuevo Leon Carlos Zambrano; and Dr. Paul Ganster from San Diego State University’s Institute for Regional Studies of the Californias.

For more information about the Southwest Compact Conference or to schedule interviews with conference panelists, please call Don Rhodes at 213/236-1840 or Jeff Lustgarten at 323/466-3445.